

Message Text

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SUBJ ENERGY: PRESS COVERAGE OF ZARB-MACDONALD JULY 28 MEETING

1. FOLLOWING ARE SUBSTANTIVE EXCERPTS FROM JULY 29 MORNING CANADIAN PRESS REPORTING ON JOINT PRESS CONFERENCE HELD AFTERNOON OF JULY 28 BY FEA ADMINISTRATOR ZARB AND ENERGY, MINES AND RESOURCES MINISTER MACDONALD.

2. TORONTO GLOBE AND MAIL REPORT CAPTIONED "CANADA-U.S. DISCUSS REGIONS FOR CUTBACKS IN NATURAL GAS": "THE CANADIAN AND U.S. GOVERNMENTS HAVE ESTABLISHED A PROCEDURE TO DECIDE WHAT AREAS OF THE UNITED STATES WILL SUFFER FROM THE EXPECTED CUTBACKS OF CANADIAN NATURAL GAS EXPORTS IN THE COMING YEARS, ACCORDING TO ENERGY MINISTER DONALD MACDONALD.

"OFFICIALS OF BOTH GOVERNMENTS AND OF THE NATIONAL ENERGY BOARD AND U.S. FEDERAL ENERGY ADMINISTRATION WILL MEET IN THE COMING MONTHS TO WORK OUT THE DETAILS, HE SAID AT A PRESS CONFERENCE HELD JOINTLY WITH FRANK ZARB, U.S. FEDERAL ENERGY ADMINISTRATOR.

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"MR. ZARB WAS IN OTTAWA TO EXCHANGE VIEWS 'ACROSS

THE FULL SPECTRUM OF CANADIAN-UNITED STATES ENERGY RELATIONSHIPS,' SAID MR. MACDONALD.

"ON NUCLEAR ENERGY, MR. MACDONALD SAID HE ASKED FOR AND RECEIVED A REVIEW OF THE U.S. NUCLEAR POWER PROGRAM, WHICH IS DIFFERENT THAN THE CANADIAN CANDU SYSTEM. THE CANADIAN SYSTEM USES NATURAL URANIUM AND HEAVY WATER, WHILE THE U.S. SYSTEM USES ENRICHED URANIUM.

"CANADA HAS ALSO AGREED TO GIVE TECHNOLOGICAL INFORMATION ABOUT ITS CANDU SYSTEM TO THE UNITED STATES FREE OF CHARGE AS 'A GOOD SALES TECHNIQUE' AND 'ANTI-CIPATES' THAT IT WILL RECEIVE INFORMATION ON THE U.S. ENRICHMENT SYSTEM AND ON-GOING TECHNOLOGICAL DEVELOPMENT IN THAT FIELD, MR. MACDONALD SAID.

"SUCH INFORMATION WILL BE IMPORTANT TO THE GOVERNMENT IN ITS FEASIBILITY STUDY OF THE ENRICHMENT PLANT FOR JAMES BAY PROPOSED BY A CORPORATION JOINTLY SPONSORED BY FRANCE AND QUEBEC, MR. MACDONALD SAID.

"THE GOVERNMENT IS INTERESTED IN WHETHER THE NEW LASER OR CENTRIFUGE TECHNIQUES OF ENRICHMENT WILL BE COMMERCIALY VIABLE SOON ENOUGH TO RENDER UNECONOMIC THE MORE EXPENSIVE DIFFUSION PROCESS BEING PROPOSED FOR THE JAMES BAY PROJECT.

"MR. ZARB SAID YESTERDAY'S MEETING WAS A CONTINUATION OF DISCUSSIONS HELD PREVIOUSLY AND HE HOPES THEY WILL CONTINUE IN THE MONTHS AHEAD.

"THE MEETING ESTABLISHED THAT THE CUTBACK OF NATURAL GAS EXPORTS WILL NOT TAKE PLACE THIS WINTER AND THEREFORE THE UNITED STATES WILL HAVE EXTRA TIME TO MAKE THE ADJUSTMENTS NEEDED TO MEET THE AS YET UNSPECIFIED EXPORT REDUCTIONS NEXT YEAR, HE SAID."

3. MONTREAL GAZETTE ARTICLE CAPTIONED "EXPORTS WON'T EMPTY SUPPLY OF NATURAL GAS: MACDONALD": "CANADA EXPECTS TO MEET ITS FULL EXPORT COMMITMENTS FOR NATURAL UNCLASSIFIED

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GAS TO THE UNITED STATES THIS YEAR, AND STILL HAVE ADEQUATE SUPPLIES OF THE DWINDLING RESOURCE FOR DOMESTIC USE, ENERGY MINISTER DONALD MACDONALD SAID YESTERDAY.

"ZARB SAID THE U.S. GOVERNMENT WANTED TO KNOW 'HOW MUCH AND HOW FAST' THE REDUCTIONS IN NATURAL GAS EXPORTS WOULD BE, AND ADDED THAT SINCE NO REDUCTIONS ARE EXPECTED THIS WINTER THE U.S. WILL BE ABLE TO MAKE ADJUSTMENTS.

"ASKED IF HE AND ZARB HAD DISCUSSED THE AMOUNT AND TIMING OF EXPORT REDUCTIONS, MACDONALD SAID: 'NOT PRECISELY.' BUT THEY HAD AGREED ON A PROCEDURE THAT WOULD INCLUDE MEETINGS BETWEEN HIGH-LEVEL OFFICIALS OF BOTH COUNTRIES.

"ZARB SAID THE U.S. GOVERNMENT WILL CONTINUE PLANNING TO PROVIDE FOR ITS NATURAL GAS NEEDS, AND HOPES TO HAVE TAKEN NEEDED STEPS TO SECURE ITS SUPPLIES IN A YEAR. AS FOR OIL, THE U.S. GOVERNMENT WILL HAVE TO TAKE STEPS TO ENCOURAGE CONSERVATION AND TO PROMOTE MORE USE OF ALTERNATIVE ENERGY SOURCES, LIKE COAL AND NUCLEAR POWER, HE SAID.

"MACDONALD SAID HE HAD DISCUSSED WITH ZARB THE U.S. URANIUM ENRICHMENT TECHNOLOGY BEING DEVELOPED FOR NUCLEAR POWER AND OTHER PROGRAMS. HE ADDED HE HAD AGREED TO MAKE AVAILABLE TO THE U.S. SOME TECHNOLOGY OF THE CANADIAN CANDU NUCLEAR REACTOR, AND HINTED CANADA HOPES TO SELL THE CANADIAN REACTOR TO U.S. USERS."
JOHNSON

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